

3. The defendant, Harold B. Murphy, is the duly appointed trustee in bankruptcy of the Debtor and is an attorney at Hanify & King, P.C., One Beacon Street, Boston, MA.

ANSWER: The United States admits. The United States avers that the Michele DeAngelis received a discharge in her bankruptcy on February 25, 2004.

4. The defendant, Champion Mortgage Co., Inc., is a banking institution established under the laws of New Jersey and upon information and belief having a usual place of business at 20 Waterview Blvd., Parsippany, NJ.

ANSWER: The United States is without information sufficient to form a belief as to the truth of allegations in paragraph 4.

5. The defendant, Shaun Carvelli d/b/a Artistic Interiors is an individual that can be reached c/o Sullivan & Sullivan, PC, 80 Washington Street, Norwell, MA.

ANSWER: The United States is without information sufficient to form a belief as to the truth of allegations in paragraph 5.

6. The defendant, Ellen R. Marcus is an individual with a residence located at 110 Clark Rd., Brookline, MA.

ANSWER: The United States is without information sufficient to form a belief as to the truth of allegations in paragraph 6.

7. The defendant, Mark T. Collins is an individual with a residence located at 329D Boston Post Rd., Sudbury, MA.

ANSWER: The United States is without information sufficient to form a belief as to the truth of allegations in paragraph 7.

8. The defendant, Massachusetts Department of Revenue, is a Massachusetts state agency with a usual place of business at 51 Sleeper Street, Boston, MA.

ANSWER: The United States admits.

9. The defendant, the Internal Revenue Service, is a federal agency with a usual place of business at JFK Federal Building, Boston, MA.

ANSWER: The United States admits, but avers that the United States, rather than the Internal Revenue Service is the proper party in interest.

Facts

10. On February 11, 2003, the Debtor filed a voluntary petition under Chapter 13 of Title 11 of the United States Code, Case No. 03-11074-WCH.

ANSWER: The United States admits.

11. On October 17, 2003, the Debtor converted the Chapter 13 bankruptcy to a Chapter 7.

ANSWER: The United States admits, however, the United States avers that the Order converting the Debtor's bankruptcy was entered on October 20, 2003.

12. On October 27, 2003, Harold B. Murphy was appointed Chapter 7 trustee ("Trustee") pursuant to 11 U.S.C. § 701 (a) (1).

ANSWER: The United States admits.

13. On December 29, 2003, the Trustee filed his report of no distribution with the United States Bankruptcy Court for the District of Massachusetts ("Bankruptcy Court") stating that the Debtor's estate had no value over and above that exempted by law.

ANSWER: The United States admits.

14. The plaintiff, BFSB, was the holder of a first mortgage covering real estate known as and numbered 45 Alberta Road, Chestnut Hill, Massachusetts ("Mortgaged Property") given by the defendant Michele A. DeAngelis to BFSB on December 8, 2000 and recorded with the Norfolk County Registry of Deeds at Book 14592, page 513. (Exhibit A)

ANSWER: The United States admits.

15. Pursuant to a Court Order issued by the Bankruptcy Court, effective August 14, 2003, BFSB was authored and empowered to enter and sell the Mortgaged Property at a foreclosure sale.

ANSWER: The United States admits.

16. The foreclosure sale took place on October 3, 2002, with the sale closing on December 3, 2003. BFSB sold the Mortgaged Property to Denise Rinfert for \$830,000.00, which was the highest bid.

ANSWER: The United States is without information sufficient to form a belief as to the truth of allegations in paragraph 16.

17. After subtracting \$736,923.22 due to BFSB for amounts due for principal, interest, attorneys' fees and costs for the foreclosure, there remained a total amount of \$93,076.78.

ANSWER: The United States is without information sufficient to form a belief as to the truth of allegations in paragraph 17.

18. The following persons, the Defendants herein, appear on record to have an interest in the foreclosure surplus held by BFSB.

- a. The Debtor, Michele A. DeAngelis;
- b. The Trustee, Harold B. Murphy;
- c. Champion Mortgage Co., Inc., who is the holder of a mortgage in the amount of \$73,000.00 made on January 19, 2001 and recorded with the Norfolk County Registry of Deeds at Book 14672, Page 157. (Exhibit B)
- d. Shaun Carvelli d/b/a Artistic Interiors, who is a Judgment Creditor in the amount of \$3,105.29 that was issued on June 30, 2002, Civil Action No. 0158CV0072. (Exhibit C)
- e. Ellen R. Marcus, who is the holder of a mortgage in the amount of \$40,000.00 made on January 3, 2003 and recorded with the Norfolk County Registry of Deeds at Book 18199, Page 098. (Exhibit D)
- f. Mark T. Collins, who is the holder of a Writ of Attachment in the amount of \$2m,500.00 that was issued on December 10, 2002, Civil Action No. 0209CV0257 and recorded with the Norfolk County Registry of Deeds on December 20, 2002.
- g. The Massachusetts Department of Revenue, who filed a Tax Lien in the amount of \$22,768.81 that was recorded with the Middlesex Registry of Deeds. (Exhibit F)

- h. The Internal Revenue Service, who filed a Notice of Tax Lien, Serial Number 40213453, in the amount of \$38,588.30 that was recorded with the Norfolk County Registry of Deeds on October 4, 2002. (Exhibit G)

ANSWER: The United States is without information sufficient to form a belief as to the truth of allegations in paragraph 18(a) through 18(g). The United States claims an interest in the interplead funds by virtue of a Notice of Federal Tax Lien filed against Michele A. DeAngelis, with the Norfolk County Registry of Deeds on October 4, 2002, for her outstanding unpaid income tax liabilities for 1999 and 2000.

- 19. By reasons of the conflicting claims of the Defendants, BFSB is in doubt as to which Defendants are entitled to the surplus of \$93,076.78.

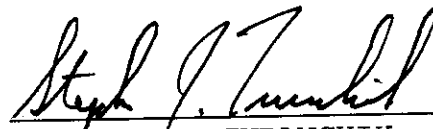
ANSWER: The United States is without information sufficient to form a belief as to the truth of allegations in paragraph 19.

WHEREFORE, the United States prays as follows:

- 1) that the Court determine the proper amount of the surplus funds, including accrued interest;
- 2) that the Court determines the relative priorities of the claimants to the surplus funds,
- 3) that the Court determine that the Plaintiff's fees and costs may not reduce the share allocable to the United States; and
- 4) that the Court order such further relief that the Court deems proper.

MICHAEL J. SULLIVAN
United States Attorney

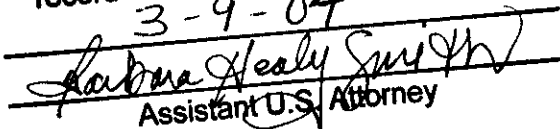
BARBARA HEALY SMITH
Assistant U.S. Attorney



STEPHEN J. TURANCHIK
Trial Attorney, Tax Division
U.S. Department of Justice
Post Office Box 55
Ben Franklin Station
Washington, D.C. 20044
Telephone: (202) 307-6565

I hereby certify that a true copy of the
above document was served upon (each
party appearing pro se and) the attorney of
record for each other party by mail on

3-9-04


Assistant U.S. Attorney